

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Department Summary

Mission Statement

To strengthen Hawaii's economy, lead business development efforts, attract new investment, and document Hawaii's economy.

Department Goals

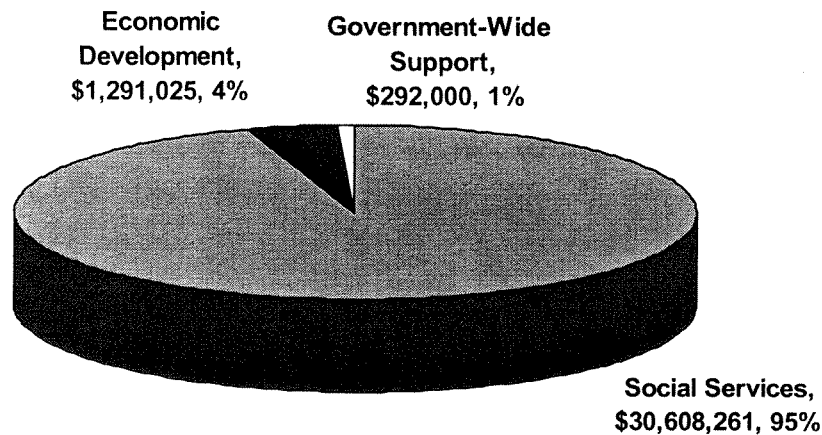
Make it easier for small businesses to do business, be profitable, and expand; strengthen the traditional pillars of Hawaii's economy: Tourism, the Military, Construction and Development, Diversified Agriculture, Marine Resources, Arts, Film and Entertainment, and Captive Insurance; and diversify Hawaii's economy by focusing on key clusters where Hawaii offers competitive advantage while developing Hawaii's destiny as a center of knowledge in the Pacific century.

Significant Measures of Effectiveness

1. Annual percentage increase in Gross State Product
2. Number of new jobs created per annum
3. Investment generated by business development and promotional activities (\$M)

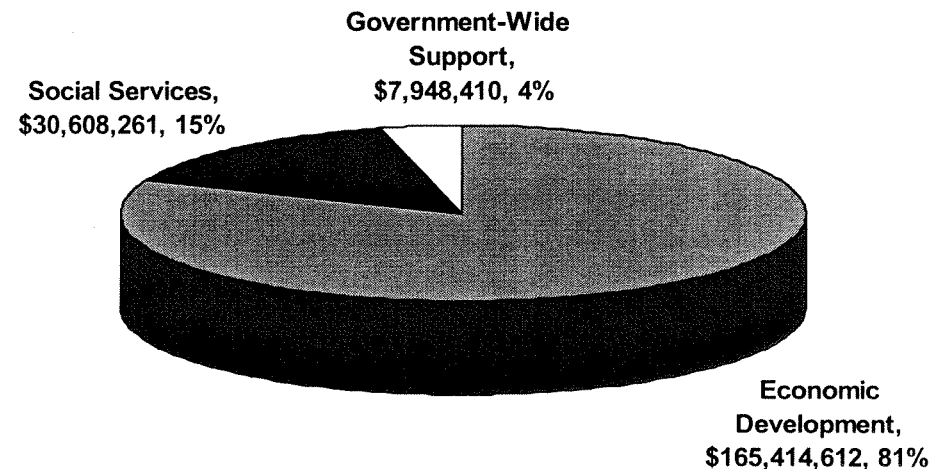
<u>FY 2006</u>	<u>FY 2007</u>
6.3	5.5
12,606	9,000
3	18

FY 2007 Supplemental Operating Budget Adjustments by Major Program



Total \$32.2 M

FY 2007 Supplemental Operating Budget



Total \$204.0 M

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MAJOR FUNCTIONS

- Promotes industry development and economic diversification by supporting existing and emerging industry clusters.
- Promotes the growth of the film, video and digital media production industry utilizing Hawaii's diverse artistic and cultural resources.
- Plans and supports the development and promotion of diversified events, attractions, and services for leisure and business travelers.
- Provides data and analyzes economic and demographic issues affecting Hawaii and participates in U.S. Census.
- Preserves, protects and encourages development of lands in the State for uses to benefit the public.
- Revitalizes areas in the State needing redevelopment through the formation of public-private partnerships, implementation of infrastructure improvements, and facilitating mixed-use development.
- Maintains a comprehensive statewide planning process to enhance the efficiency and effectiveness of State programs.
- Finances and develops affordable housing.

MAJOR PROGRAM AREAS

The Department of Business, Economic Development and Tourism has programs in the following major program areas:

Economic Development

BED 100	Strategic Marketing and Support
BED 105	Arts, Film and Entertainment
BED 107	Foreign Trade Zone
BED 113	Tourism
BED 120	Strategic Industries
BED 142	General Support for Economic Development
BED 143	High Technology Development Corporation
BED 145	Hawaii Strategic Development Corporation
BED 146	Natural Energy Lab of Hawaii Authority
BED 150	Hawaii Community Development Authority
BED 151	Aloha Tower Development Corporation

Government-Wide Support

BED 103	Statewide Land Use Management
BED 130	Economic Planning and Research
BED 144	Statewide Planning and Coordination

Social Services

BED 223	Broadened Homesite Ownership
BED 225	Private Housing Development and Ownership
BED 227	Housing Finance
BED 229	HHFDA Administration
BED 231	Rental Housing Trust Fund

Department of Business, Economic Development and Tourism
(Operating Budget)

		Act 178/2005 FY 2006	Act 178/2005 FY 2007	FY 2007 Adjustments	Total FY 2007
Funding Sources:	Positions	116.50	115.50	1.00	116.50
General Funds	\$	11,119,848	10,532,971	248,949	10,781,920
		28.50	28.50	-2.00	26.50
Special Funds		132,097,448	133,977,321	1,282,500	135,259,821
		4.00	4.00	0.00	4.00
Federal Funds		17,013,138	16,495,873	3,051,576	19,547,449
Trust Funds		0	0	22,000,000	22,000,000
Interdepartmental Transfers		1,861,769	1,561,769	0	1,561,769
		0.00	1.00	30.00	31.00
Revolving Funds		9,106,765	9,212,063	5,608,261	14,820,324
		149.00	149.00	29.00	178.00
Total Requirements		171,198,968	171,779,997	32,191,286	203,971,283

Highlights of the Executive Supplemental Budget Request: (general funds unless noted)

1. Added \$125,000 for targeted industry and overseas market development.
2. Transferred positions and funds from Department of Human Services to perform the function of housing financing and development (Act 196/2004). The transfer resulted in \$3,000,000 in federal funds, 30.0 permanent and 44.0 temporary positions and \$5,608,261 in revolving funds, and 1.0 temporary and \$19,008,563 in trust funds for Department of Business, Economic Development and Tourism.
3. Increased ceiling for Rental Housing Trust Fund by \$15,000,000 to reflect increased conveyance tax collections. Funding would be used to develop affordable rental housing to assist very low and low income families and individuals in obtaining rental housing.

Department of Business, Economic Development and Tourism
(Capital Improvements Budget)

	Act 178/2005 FY 2006	Act 178/2005 FY 2007	FY 2007 Adjustments	Total FY 2007
Funding Sources:				
General Obligation Bonds	3,603,000	2,603,000	3,871,000	6,474,000
Reimbursable G.O. Bonds	0	0	450,000	450,000
Federal Funds	0	0	4,000,000	4,000,000
Total Requirements	3,603,000	2,603,000	8,321,000	10,924,000

Highlights of the Executive Supplemental CIP Budget Request: (general obligation bonds unless noted)

1. Provided \$540,000 for Natural Energy Laboratories of Hawaii Authority (NELHA) to plan and design additional infrastructure and distribution pipelines to expand the capacity of the existing 55" seawater distribution system, primarily to service HOST Park.
2. Provided \$50,000 for NELHA to make final interconnection between two existing 12" potable water mains to complete a system-wide upgrade.
3. Provided \$312,000 for NELHA to design and construct additional groundwater environmental monitoring wells.
4. Provided \$400,000 for NELHA to plan and design HOST Park access roads and utility distribution system.
5. Provided \$300,000 in general obligation reimbursable bonds for Foreign Trade Zone to design and construct a container loading/unloading dock structure.
6. Provided \$150,000 in general obligation reimbursable bonds to plan and design NELHA Administration building upgrades.
7. Provided \$200,000 to plan and design upgrades to the NELHA main access road.
8. Provided \$300,000 to develop NELHA master plan.
9. Provided \$4,000,000 in federal funds to construct roads to connect NELHA and Kona International Airport and Queen Kaahumanu Highway.
10. Provided \$2,000,000 for major repairs and maintenance of the Hawaii Convention Center.